

The Effects of Job Satisfaction to Employee Fraud Risk in Adventist Universities of the Southern Asia Pacific Division

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Abstract: This study aimed to examine how much of the effects of job satisfaction (JS) contributed to employee fraud risk (EFR) in an Adventist university in regular full-time employees of Adventist universities within the Southern Asia Pacific operational region located in 3 respective countries: Philippines, Thailand, and Indonesia as the members of International Scholar Conference. EFR could be predicted by component behaviours of OT (*competence, openness, honesty, reliability, identification*) and JS dimension (*existence needs, relatedness needs, and growth needs*) as perceived to prevent and reduce fraudulent acts in relation to misappropriation of assets. The survey research design was employed in this study with convenience random sampling technique. The descriptive-correlational design and multiple regression analysis were used to determine the existing relationship among the variables and the predictors of EFR. The respondents were 403 regular full-time employees of 4 SDA universities within the Southern Asia Pacific operational region.

The results reveal that “pressure” ranked first as a risk, followed by “opportunities” and “rationalizations.” There is a negative and significant relationship between JS degree and EFR factors, and between OT and EFR of the respondents’ perception. *Reliability, honesty, competence, existence needs, relatedness needs, and growth needs* dimensions are the best predictors to reduce EFR. However, there is no direct effect between OT and EFR. The relationship of OT and EFR is fully mediated by JS. In fact, the relation of OT and EFR is because of JS. The results indicate the importance of well-structured organizational trust culture, job satisfaction and effective internal controls against employee fraud risk regarding misappropriation of assets by employees.

Keywords: Employee job satisfaction, fraudulent acts, internal controls, trust culture